STATE INCOME TAX WITHHOLDING INFORMATION DOCUMENT



Zurich American Life Insurance Company (ZALICO)

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This document is intended to provide you with information regarding state income tax withholding rules applicable to retirement-type distributions by an insurance company, such as ZALICO, in effect as of September 30, 2012. State laws are subject to change from time to time. The information below is based on ZALICO's understanding of the relevant laws; ZALICO does not warrant that the information is correct, nor does it undertake to update the information to reflect changes in state laws. This document is not intended or written as specific legal or tax advice and may not be relied on for purposes of avoiding any state tax penalties. Neither ZALICO nor any of its employees or representatives is authorized to give legal or tax advice.

State Income Tax Withholding—General Information

State income tax withholding is based on your legal state of residence as shown in our records. Please notify us if you maintain a different legal residence.

The amount of tax withheld (if any) may be based on whether your payment is a periodic distribution or a non-periodic distribution. A series of payments made at regular intervals over a person's life or over a period of greater than one year is considered a series of periodic distributions, for example, annuities or installment payments. Any payment as a single-sum or at irregular intervals is a non-periodic distribution.

Please note that regardless of your election with respect to withholding, you may be liable for state income taxes with respect to the taxable portion of payments from ZALICO. In addition, you may be subject to interest or penalties on underpayments of tax. We suggest that you consult with a tax advisor in order to ensure that you make timely tax payments.

The information provided is intended to supplement the information ZALICO has provided to you with respect to federal income tax withholding requirements.

No State Income Tax Withholding

ZALICO will not withhold for state income taxes in the following states. Please elect "no state withholding":

Alaska - AK	Nevada - NV	Tennessee - TN	Wyoming - WY
Florida - FL	New Hampshire - NH	Texas - TX	
Mississippi - MS	South Dakota - SD	Washington - WA	

Voluntary State Income Tax Withholding

The following states do not require ZALICO to withhold state income taxes on periodic and non-periodic distributions, even though federal income taxes are being withheld. If you wish to have state income tax withheld, you must elect state income tax withholding and indicate on the election form the percentage of the distribution that you wish ZALICO to withhold.

Alabama - AL	Illinois - IL	New York - NY	Utah - UT
Arizona - AZ	Indiana - IN	Montana - MT	Pennsylvania - PA

Colorado - CO	Kentucky - KY	New Jersey - NJ	Rhode Island - RI
Connecticut - CT	Louisiana - LA	New Mexico- NM	South Carolina - SC
Hawaii - HI	Minnesota - MN	North Dakota -ND	West Virginia -WV
Idaho - ID	Missouri - MO	Ohio - OH	Wisconsin - WI

Required State Income Tax Withholding—Elections Permitted In Certain Circumstances:

The following states generally require ZALICO to withhold state income tax on certain distributions, but permit certain state income tax withholding elections to be made in writing by you. Your distribution form allows you to make this election "in writing." The requirements and available withholding elections are described below.

	State Tax W/H		
State	Calculation	Non-Periodic Distributions	Periodic Distributions
Arkansas –	5% of Taxable Amount	IRA: State income tax will be	IRA/403(b)/Nonqualified:
AR	Distributed as an eligible	withheld, except you may elect	State income tax will be withheld,
	rollover distribution.	out of withholding.	except you may elect out of
		403(b): If an eligible rollover	withholding.
	3% of Other Non-	distribution, you may not elect out	
	Periodic Taxable	of withholding. If not an eligible	
	Amount Distributed.	rollover distribution, you may	
		elect out of withholding.	
	For Periodic	Nonqualified: State income tax	
	Distributions, please	will be withheld, except you may	
	provide ZALICO with a	elect out of withholding.	
	state income tax		
	withholding percentage,		
	otherwise ZALICO will		
	use the [3%] non-		
	periodic percentage,		
	unless you elect out of		
~	withholding.	77.4402.43.03	
California -	For Non-Periodic and	IRA/403(b)/Nonqualified:	IRA/403(b)/Nonqualified:
CA	Periodic Distributions,	State income tax will be withheld,	State income tax will be withheld,
	please provide ZALICO	except you may elect out of	except you may elect out of
	with a state income tax	withholding.	withholding.
	withholding percentage,		
	otherwise ZALICO will		
	withhold 10% of Federal		
	Tax Withholding		
	Applicable, unless you		
	elect out of withholding.		

	State Tax W/H		
State	Calculation	Non-Periodic Distributions	Periodic Distributions
Delaware -	5% of Taxable Amount	IRA: Voluntary withholding	IRA/403(b)/Nonqualified:
DE	Distributed.	(minimum 5%).	Voluntary withholding (minimum
		403(b): If an eligible rollover	5%).
	For Non-Periodic and	distribution, you may not elect out	
	Periodic Distributions,	of withholding. If not an eligible	
	other than eligible	rollover distribution, voluntary	
	rollover distributions,	withholding (minimum 5%).	
	ZALICO will not	Nonqualified: Voluntary	
	withhold any amounts	withholding (minimum 5%).	
	unless you elect state		
	income tax withholding,		
	in which case please		
	provide ZALICO with a		
	state income tax		
	withholding percentage		
District of	of at least 5%. 8.95% of Taxable	ID A /402/b): State in account to a	ID A /402/h)/NI1:
		IRA/403(b): State income tax	IRA/403(b)/Nonqualified:
Columbia –	Amount of a Lump Sum Distribution.	withholding is required for a lump-sum distribution of the	Voluntary withholding.
DC	Distribution.	entire balance.	
	For other Non-Periodic	entire barance.	
	and Periodic	IRA/403(b)/Nonqualified:	
	Distributions, ZALICO	Voluntary withholding for non-	
	will not withhold any	periodic distributions not	
	amounts unless you elect	described immediately above.	
	state income tax		
	withholding, in which		
	case please provide		
	ZALICO with a state		
	income tax withholding		
	percentage.		
Georgia -	1% to 6% of	IRA/403(b)/Nonqualified:	IRA/403(b)/Nonqualified:
GA	Taxable Amount	Voluntary withholding,.	State income tax will be withheld,
	Distributed Applicable to		except you may elect out of
	Non-Periodic and		withholding.
	Periodic Distributions.		
	F		
	For Periodic		
	Distributions, please		
	provide ZALICO with a		
	state income tax		
	withholding percentage, otherwise ZALICO will		
	withhold 6% of		
	Taxable Amount		
	Distributed, unless you		
	elect out of withholding.		
	ciect out of withholding.		

	State Tax W/H		
State	Calculation	Non-Periodic Distributions	Periodic Distributions
Kansas – KS	5% of Taxable Amount Distributed as an eligible rollover distribution. For Non-Periodic and Periodic Distributions, other than eligible rollover distributions, ZALICO will not withhold any amounts unless you elect state income tax withholding, in which case please provide ZALICO with a state income tax withholding percentage.	IRA: Voluntary withholding. 403(b): If an eligible rollover distribution, you may not elect out of withholding. If not an eligible rollover distribution, voluntary withholding. Nonqualified: Voluntary withholding.	IRA/403(b)/Nonqualified: Voluntary withholding.
Maryland – MD	7.75% of Taxable Amount Distributed as an eligible rollover distribution. For Non-Periodic and Periodic Distributions, other than eligible rollover distributions, ZALICO will not withhold any amounts unless you elect state income tax withholding, in which case please provide ZALICO with a state income tax withholding percentage.	IRA: Voluntary withholding. 403(b): If an eligible rollover distribution, you may not elect out of withholding. If not an eligible rollover distribution, voluntary withholding. Nonqualified: Voluntary withholding.	IRA/403(b)/Nonqualified: Voluntary withholding.
North Carolina – NC	4% of Taxable Amount Distributed as a Non- Periodic Distribution. For Periodic Distributions, please provide ZALICO with a state income tax withholding percentage, otherwise ZALICO will withhold 4% of Taxable Amount Distributed, unless you elect out of withholding.	IRA: State income tax will be withheld, except you may elect out of withholding. 403(b): If an eligible rollover distribution, you may not elect out of withholding. If not an eligible rollover distribution, you may elect out of withholding. Nonqualified: State income tax will be withheld, except you may elect out of withholding. If you elect not to have federal income taxes withheld, state income tax will be withheld unless you elect out of state income tax withholding.	IRA/403(b)/Nonqualified: State income tax will be withheld, except you may elect out of withholding. If you elect not to have federal income taxes withheld, state income tax will be withheld unless you elect out of state income tax withholding.

	State Tax W/H		
State	Calculation	Non-Periodic Distributions	Periodic Distributions
Oklahoma –	5% of Taxable Amount	IRA/403(b)/Nonqualified:	IRA/403(b)/Nonqualified:
OK	Distributed as a Non-	State income tax withholding is	State income tax withholding is
	Periodic Distribution.	required whenever federal income	required whenever federal income
		tax is withheld, except you may	tax is withheld, except you may
	For Periodic	elect out of state income tax	elect out of state income tax
	Distributions, please	withholding.	withholding.
	provide ZALICO with a		
	state income tax	If you elect not to have federal	If you elect not to have federal
	withholding percentage,	income taxes withheld, state	income taxes withheld, state
	otherwise ZALICO will	income tax also will not be	income tax also will not be
	withhold 5% of Taxable	withheld unless you elect state	withheld unless you elect state
	Amount Distributed,	income tax withholding, in which	income tax withholding, in which
	unless you elect out of	case please provide ZALICO with	case please provide ZALICO with
	withholding.	a state income tax withholding	a state income tax withholding
		percentage.	percentage.
Oregon –	9% of Taxable Amount	IRA: State income tax	IRA/403(b)/Nonqualified:
OR	Distributed as a Non-	withholding is required whenever	State income tax withholding is
	Periodic Distribution.	federal income tax is withheld,	required whenever federal income
		except you may elect out of state	tax is withheld, except you may
	For Periodic	income tax withholding.	elect out of state income tax
	Distributions, please	$\frac{403(b)}{100}$: If an eligible rollover	withholding.
	provide ZALICO with a	distribution, you may not elect out	TC 1
	state income tax	of withholding. If not an eligible	If you elect not to have federal
	withholding percentage,	rollover distribution, you may	income taxes withheld, state
	otherwise ZALICO will	elect out of withholding.	income tax also will not be
	withhold 9% of Taxable	Nonqualified: State income tax	withheld unless you elect state
	Amount Distributed,	withholding is required whenever	income tax withholding, in which
	unless you elect out of	federal income tax is withheld,	case please provide ZALICO with
	withholding.	except you may elect out of state	a state income tax withholding
		income tax withholding.	percentage.
		If you elect not to have federal	
		income taxes withheld, state	
		income tax also will not be	
		withheld unless you elect state	
		income tax withholding, in which	
		case please provide ZALICO with	
		a state income tax withholding	
		percentage.	

	State Tax W/H		
State	Calculation	Non-Periodic Distributions	Periodic Distributions
Vermont	27% of Federal Tax Amount Withheld from a Non-Periodic Distribution.	IRA: State income tax will be withheld, except you may elect out of withholding. 403(b): If an eligible rollover distribution, you may not elect out of withholding. If not an eligible	IRA/403(b)/Nonqualified: State income tax will be withheld, except you may elect out of withholding.
	Distributions, please provide ZALICO with a state income tax withholding percentage, otherwise ZALICO will withhold 27% of Federal Tax Amount Withheld, unless you elect out of withholding.	rollover distribution, you may elect out of withholding. Nonqualified: State income tax will be withheld, except you may elect out of withholding.	

Mandatory State Income Tax Withholding When Federal Income Tax is Withheld

The following states require ZALICO to withhold state income taxes from distributions when federal income tax is withheld from a distribution and permit you to elect to withhold state income taxes even if you elect to have federal income taxes not withheld. Included in the table are the amounts generally withheld for state income taxes.

	State Tax W/H		
State	Calculation	Non-Periodic Distributions	Periodic Distributions
Iowa - IA	5% of Taxable Amount of Non-Periodic and Periodic Distributions.	IRA/403(b)/Nonqualified: State income tax withholding is required whenever federal income tax is withheld.	IRA/403(b)/Nonqualified: State income tax withholding is required whenever federal income tax is withheld.
		If you elect not to have federal income taxes withheld, state income tax also will not be withheld unless you elect state income tax withholding, in which case please provide ZALICO with a state income tax withholding percentage.	If you elect not to have federal income taxes withheld, state income tax also will not be withheld unless you elect state income tax withholding, in which case please provide ZALICO with a state income tax withholding percentage.
Maine - ME	5% of Taxable Amount Distributed as a Non- Periodic Distribution. For Periodic Distributions, places	IRA/403(b)/Nonqualified: State income tax withholding is required whenever federal income tax is withheld.	IRA/403(b)/Nonqualified: State income tax withholding is required whenever federal income tax is withheld.
	Distributions, please provide ZALICO with a state income tax withholding percentage, otherwise ZALICO will withhold 5% of Taxable Amount	If you elect not to have federal income taxes withheld, state income tax also will not be withheld unless you elect state income tax withholding, in which case please provide ZALICO with a state income tax withholding	If you elect not to have federal income taxes withheld, state income tax also will not be withheld unless you elect state income tax withholding, in which case please provide ZALICO with a state income tax withholding

	State Tax W/H		
State	Calculation	Non-Periodic Distributions	Periodic Distributions
	Distributed.	percentage.	percentage.
Massachusetts - MA	5.25% of Taxable Amount of Non- Periodic and Periodic Distributions .	IRA/403(b)/Nonqualified: State income tax withholding is required whenever federal income tax is withheld.	IRA/403(b)/Nonqualified: State income tax withholding is required whenever federal income tax is withheld.
		If you elect not to have federal income taxes withheld, state income tax also will not be withheld unless you elect state income tax withholding, in which case please provide ZALICO with a state income tax withholding percentage.	If you elect not to have federal income taxes withheld, state income tax also will not be withheld unless you elect state income tax withholding, in which case please provide ZALICO with a state income tax withholding percentage
Michigan - MI	4.35% of Taxable Amount Non-Periodic and Periodic Distributions.	IRA/403(b)/Nonqualified: State income tax withholding is required on all taxable distributions.	IRA/403(b)/Nonqualified: State income tax withholding is required on all taxable distributions.
Nebraska - NE	5% of Taxable Amount Distributed as a Non- Periodic Distribution.	IRA/403(b)/Nonqualified: State income tax withholding is required whenever federal income tax is withheld.	IRA/403(b)/Nonqualified: State income tax withholding is required whenever federal income tax is withheld.
	Distributions, please provide ZALICO with a state income tax withholding percentage, otherwise ZALICO will withhold 5% of Taxable Amount Distributed.	If you elect not to have federal income taxes withheld, state income tax also will not be withheld unless you elect state income tax withholding, in which case please provide ZALICO with a state income tax withholding percentage.	If you elect not to have federal income taxes withheld, state income tax also will not be withheld unless you elect state income tax withholding, in which case please provide ZALICO with a state income tax withholding percentage.
Virginia - VA	4% of Taxable Amount Distributed as a Non- Periodic Distribution.	IRA: ZALICO will not withhold state income taxes.	IRA: ZALICO will not withhold state income taxes.
	For Periodic Distributions, please provide ZALICO with a state income tax	403(b)/ Nonqualified: State income tax withholding is required whenever federal income tax is withheld.	403(b)/ Nonqualified: State income tax withholding is required whenever federal income tax is withheld.
	withholding percentage, otherwise ZALICO will withhold 4% of Taxable Amount Distributed.	If you elect not to have federal income taxes withheld, state income tax also will not be withheld unless you elect state income tax withholding, in which case please provide ZALICO with a state income tax withholding percentage.	If you elect not to have federal income taxes withheld, state income tax also will not be withheld unless you elect state income tax withholding, in which case please provide ZALICO with a state income tax withholding percentage.